

TRADITION



Richard J. Francis
Commissioner,
1973-1980

RICHARD J. FRANCIS (1973-1980)

Richard J. Francis was appointed Commissioner of the Financial Institutions Bureau on October 29, 1973 by Governor William G. Milliken. Mr. Francis became the twenty-second commissioner succeeding Robert P. Briggs who retired in July 1973.

Commissioner Francis graduated from University of Detroit High School and earned his Bachelor of Arts degree from Xavier University in Cincinnati, Ohio. He later graduated from Wayne State University Law School. Mr. Francis was an officer of Michigan Life Insurance Co., Detroit, where he became general counsel in 1966 and Vice President in 1967. He also served as general counsel for National Casualty Co., Detroit. Richard Francis was also active in various committees of the American, Oakland County, and Michigan Bar Associations.

As Commissioner of the Financial Institutions Bureau, Richard Francis saw significant changes in the way financial institutions conducted business. Legislation enacted during his tenure includes the Michigan Anti-Redlining Act, 1977 PA 135, and the Electronic Funds Transfers Act (EFT Act), 1978 PA 322. PA 322 took effect just as a new vehicle for financial services delivery, the automated teller machine (ATM), was beginning to appear in a few other states. ATMs quickly gained acceptance by consumers which, in turn, fostered development and growth of major, shared ATM networks. Though slower to appear, card-activated electronic point-of-sale (POS) terminals ultimately emerged as a convenient method of payment. Increasingly, consumers have used their debit cards in POS terminals at gas stations, in grocery store chains, and other retailers. Commissioner Francis frequently testified before congressional committees on electronic fund transfers (EFT).

During his tenure as Commissioner, Richard Francis emphasized for financial institutions the importance of adopting policies to govern their conduct of business. He expected boards of directors to develop written policies, which would guide institutions in their day-to-day operations. Bureau examiners reviewed practices of institutions for conformity with the written policies. This heightened focus on policies was a major contribution to supervision and regulation and remains an enduring legacy of Mr. Francis. The Bureau also issued several significant research studies and reports. On July 7, 1980, the Bureau submitted a "Final Report on Electronic Fund Transfer Services in Michigan" to two legislative committees. The report, mandated by the Electronic Funds Transfers Act, described and analyzed developments in the market for EFT services and recommended further legislative action.

In response to concern over alleged mortgage redlining, on April 13, 1976, Richard Helmbrecht, Director of the Department of Commerce, appointed Commissioner Francis Chairperson of the Governor's Task Force on Redlining. In December 1976, the Task Force issued a "Final Report of the Governor's Task Force on Redlining." Its chief recommendation was that the state act to assure the availability of mortgage credit to creditworthy individuals for structurally sound properties located in high-risk areas.

Also, in 1976, Commissioner Francis served on the Governor's Advisory Com-

mission on the Regulation of Financial Institutions (Commission). The Commission studied competition and structure of the financial institutions industry, methods of adjusting interest rate ceilings applicable to lending by financial institutions, and laws governing regulatory powers of the Commissioner of the Bureau. In its deliberations, the Commission also considered the goals of capital availability, consumer protection, and equitable regulation. The Commission made 38 recommendations including advocating greater pricing autonomy, phased-in liberalization of bank branching, and a more active role for the state in enforcement of consumer protection laws.

At year-end 1979, Michigan's 249 state-chartered banks had total assets of \$22.5 billion. Its 31 state-chartered savings and loan associations and 584 credit unions had total assets of \$4.1 billion and \$2.7 billion, respectively. There were also 350 licensees under the Regulatory Loan Act of 1963 having total assets of \$515 million and 2,189 licensed installment sellers and 350 licensed sales finance companies under the Motor Vehicle Sales Finance Act under Bureau supervision.

Following his retirement in June 1980, Mr. Francis returned to the practice of law. In 1985 and 1986, Mr. Francis was a board member and Chairman of the Small Business Association of Michigan. He currently resides in Birmingham with his wife Janet.